



# Long-term Management Vision 2030 and Medium-term Management Plan 2020

March 2017  
**Osaka Gas Co., Ltd.**



## Long-term Management Vision 2030

“What we aim to be in FY2030” and  
initiatives

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## Medium-term Management Plan 2020

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Taking advantage of the dramatic changes in the business environment, as seen in the full liberalization of energy retail markets in Japan, and achieving three ways of “going beyond,” we are aiming to become an innovative energy & service company that continues to be the first choice of customers.



Becoming an innovative energy & service company that continues to be the first choice of customers

- |   |  |
|---|--|
| ● <b>Going beyond customer expectations</b> | Continue taking up the challenge of offering services that go beyond the expectations of customers         |
| ● <b>Going beyond business boundaries</b>   | Expand our business areas where we can contribute to the development of society, communities and customers |
| ● <b>Going beyond corporate boundaries</b>  | Pursue alliances and M&A and develop businesses broadly both inside and outside Japan                      |

# Osaka Gas Group's Three Guiding Principles to Reach Targets Set for FY2030

Following “three guiding principles” based on the Osaka Gas Group corporate philosophy, we are pursuing business activities to realize the Long-term Management Vision.

## Osaka Gas Group corporate philosophy

Corporate Motto

**Service First\*1**

What the Osaka Gas Group aims to be

**A corporate group that supports continuous advancement of consumer life and businesses**

## Osaka Gas Group Declaration

The Osaka Gas Group is creating four values.

Value for customers

Value for society

Value for shareholders

Value for employees

## Three guiding principles toward FY2030

**Continue providing the high-quality services we have developed in the Kansai area to as many customers as possible .**

- Expand areas to conduct businesses in
- Enhance businesses and services that can make effective use of Group's strengths

**Always strive to be professionals who pursue innovative challenges.**

- Ensure a higher level of security and stable supply
- Innovative product and technology development, engineering

**Constantly winning confidence of investors, corporate partners, employees and society.**

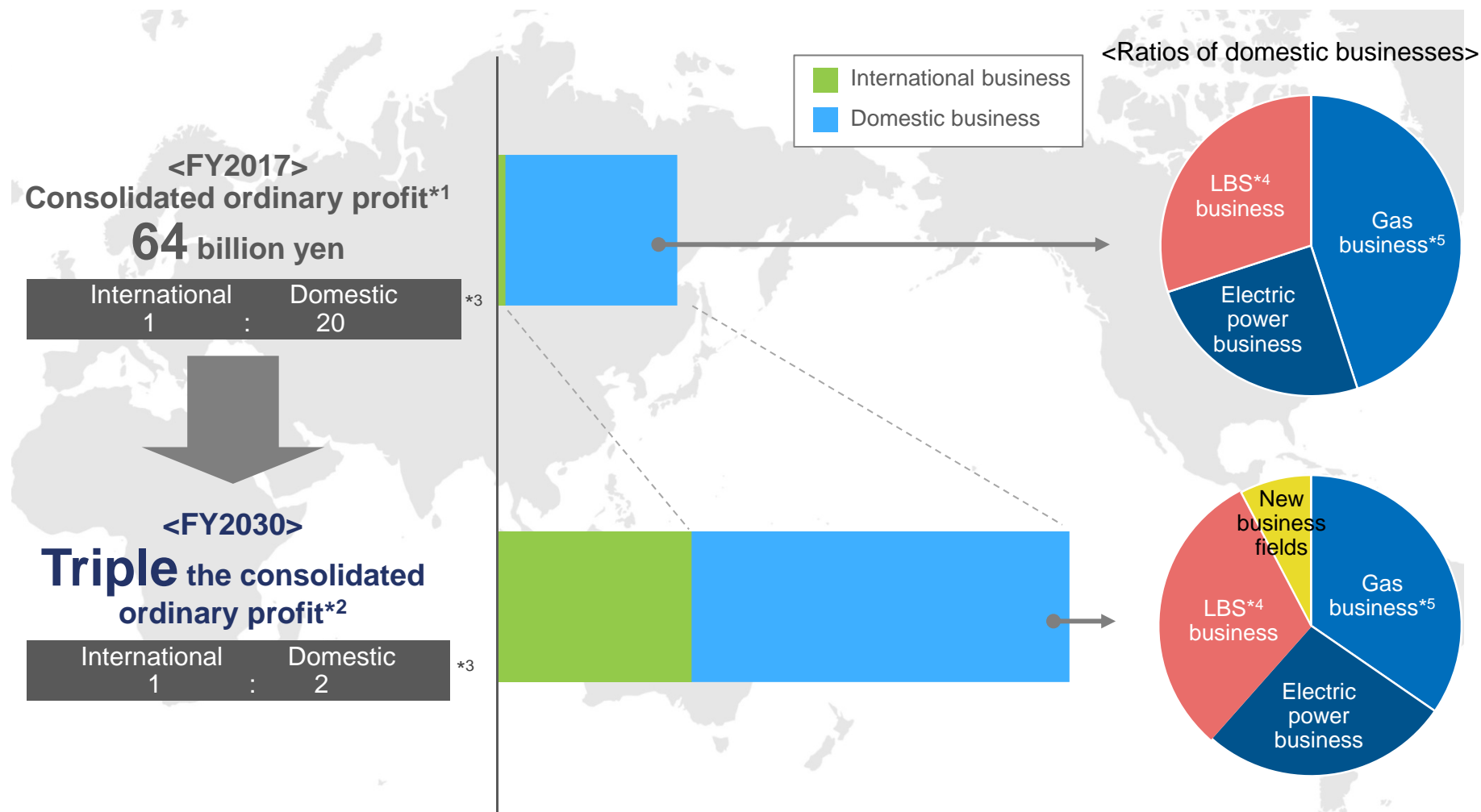
- Promote portfolio management
- Enhance competitiveness by further improving business efficiency
- Pursue management that is conscious of the ESG\*2 global standard
- Establish organizations and workplaces in which all Group employees can conduct business activities in good health

\*1: Osaka Gas Group corporate philosophy: <http://www.osakagas.co.jp/company/about/brand/index.html>

\*2: ESG (Environmental, Social, Governance)

## “What We Aim to Be in FY2030” – Target Income Level and Structure

The Osaka Gas Group is undertaking the challenging task of tripling its consolidated ordinary income by fiscal 2030 compared with fiscal 2017 by expanding overseas operations as well as domestic operations.



\*1: Crude oil price = \$55/barrel, exchange rate = 115 yen/dollar    \*2: Crude oil price = \$70/barrel, exchange rate = 115 yen/dollar

\*3: On the basis of consolidated ordinary profit    \*4: Life & Business Solutions    \*5: Gas business profit includes sales of equipment and LNG.

## Three business pillars that support the Osaka Gas Group

Domestic Energy Business

International Energy Business

Life & Business Solutions  
(LBS) Business

By strengthening each of nine sub-sectors under the three pillars, the Group will establish a solid portfolio that can respond to various environmental changes in order to reach the targets set for fiscal 2030.

### Develop energy marketer business of a new era

1

Gas manufacturing and sales\*

\* Including sales of equipment, services, LNG, etc.

2

Gas distribution

3

Electric power generation and sales

### Accelerate the development of international energy business

4

International upstream and trading

5

International middle and downstream

9

New business fields and others

### Expand LBS business and developing new business fields

6

Real Estate

7

Materials

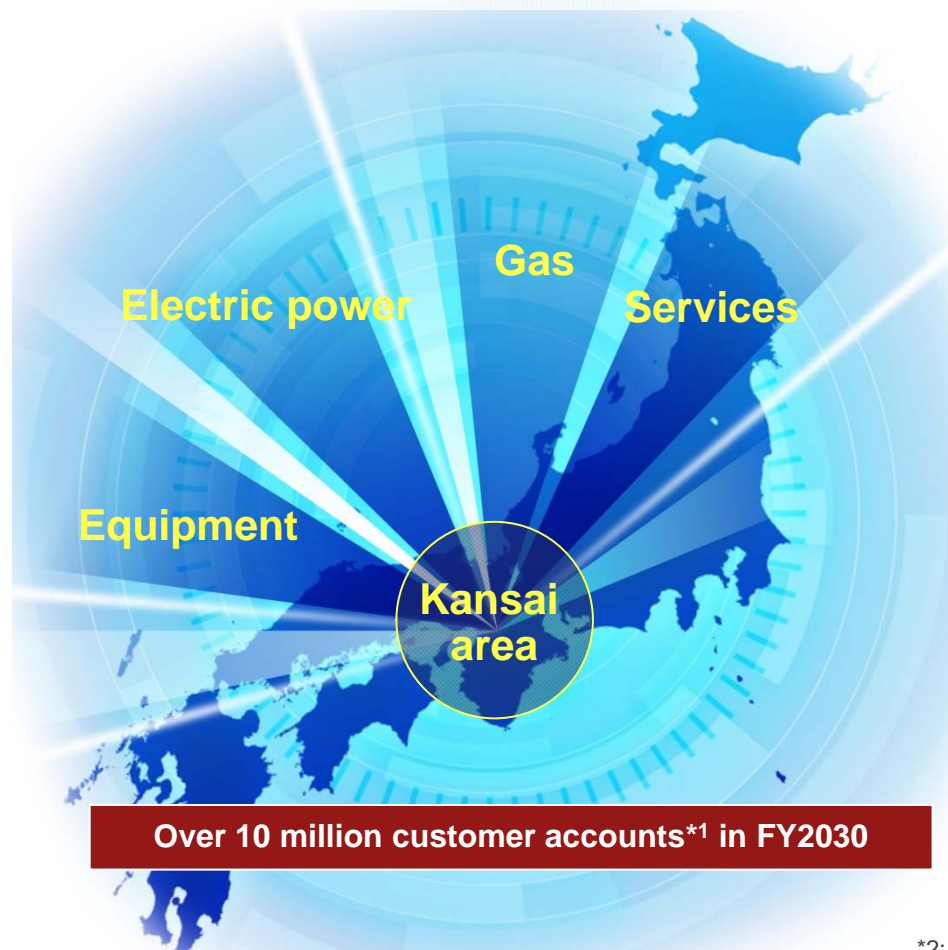
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## Development of Energy Marketer Business of a New Era

The Osaka Gas Group is aiming to maximize the number of customer accounts through initiatives to go beyond “customer expectations,” “business boundaries” and “corporate boundaries,” such as expanding peripheral services and stepping up operations outside the Kansai region.

### Provide Comprehensive Energy Supply and Services



#### Go beyond “customer expectations” and “business boundaries”

Provide comprehensive energy supply and services

- Expand electric power and LPG businesses as well as gas business
- Provide comfortable lifestyles to customers by offering them our enhanced home services
- Provide one-stop services of Utility Agent\*2

#### Go beyond “corporate boundaries”

- Broadly deploy the know-how and services (energy & services) developed in the Kansai area through expanded alliances
- Promote new business development (M&A, etc.) in the energy peripheral fields

\*1: Total number of contracts for gas, electricity, LPG, ENE FARM, “Sumikata” services, Utility Agent contracts, etc.

\*2: Trademark registered by OGCTS Co., Ltd. and Osaka Gas Co., Ltd. under which utility facilities (for gas, electricity and water supply) are provided to offer a one-stop service from maintenance and management to energy procurement for customers



## Development of Energy Marketer Business of a New Era

We are increasing the volume of natural gas (including LNG) for retailing, energy services, trading, etc. both inside and outside Japan.

We are establishing a competitive power-supply portfolio both inside and outside Japan, including power purchases from markets and other companies.

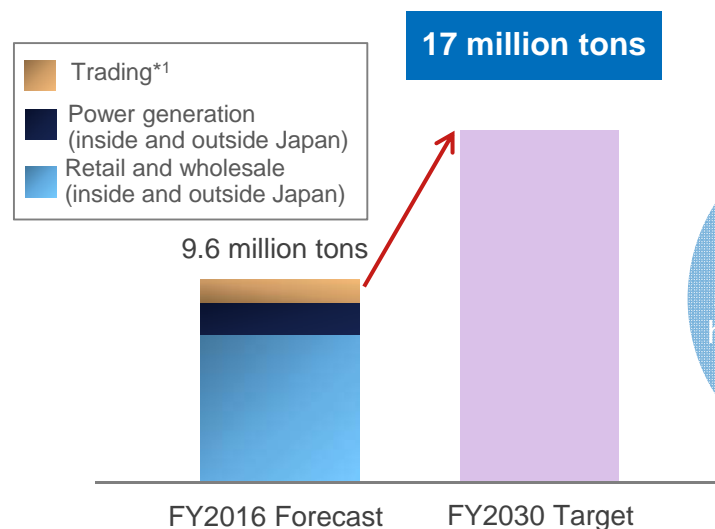
### Gas (including LNG) sales and trading

Expand retailing  
and energy  
services

Raise the gas  
demand of power  
generation

Increase trading  
volume

<Scale of natural gas business>



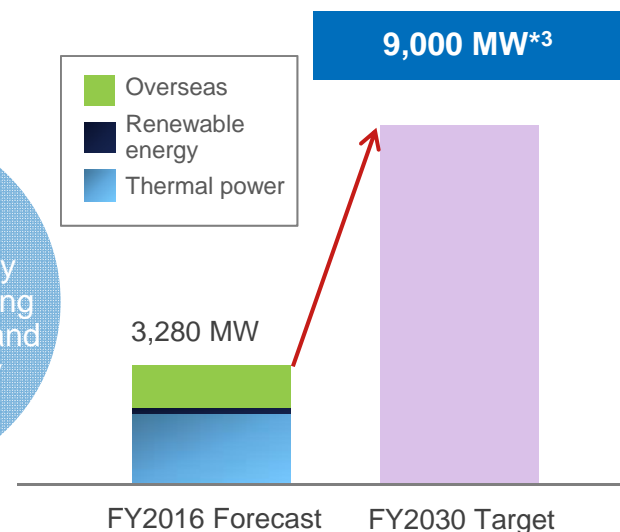
### Electric power generation and sales

Boost the in-house  
power generation  
capacity

Expand renewable  
energy

Increase  
purchases from  
external sources\*2

<Power-supply portfolio (inside and outside Japan)>



Achieve cost-competitive energy supply while ensuring high-level security and stability in supply

\*1: Including LNG sold to energy business operators inside and outside Japan, and LNG used in operations of overseas LNG terminals

\*2: Including negawatt-based trading

\*3: The ratio of procurement from markets and other companies will continue to be considered, depending on the situation of system design by the national government.



## Acceleration of International Energy Business Development

We are expanding our businesses across the entire value chain from upstream to downstream by leveraging the know-how we have developed in Japan and the international business bases we have established so far, focusing mainly on the priority areas including North America, Asia and Oceania.

Strengthen the earnings structure of international energy businesses by advancing operations in each field

Upstream and trading businesses

Gas / oil field  
development

LNG trading

Middle and downstream businesses

IPP\*1 business

LNG terminal  
business

LDC\*2 business

Retailing and  
energy services

### Know-how of domestic businesses



Natural gas  
power plant



LNG terminal



Fuel  
conversion



Fleet  
operation

### Existing international business bases



Freeport LNG  
terminal in US\*3  
(under construction)



St. Charles IPP  
in US



City-OG Gas  
Energy  
Services



OSAKA GAS  
THAILAND

### Policies for Business Development

- (1) Concentrate business resources in priority businesses in each **priority area**
- (2) Accelerate business development through **mutually complementary partnerships with other companies and M&A**
- (3) **Deepen involvement in each business and strengthen business promotion capabilities** by developing human resources, establishing speedy decision-making system, etc.

\*1: Independent Power Producer \*2: Local Distribution Company

\*3: Freeport LNG Development, provided by L.P. (projected completion image)

## Expansion of LBS Business and Development of New Business Fields

<p>&lt;Real Estate&gt;</p> 	<p><b>&lt;What we aim to be&gt; a corporate group that plays active roles in various real estate business fields, such as leasing, sales, and maintenance by <u>expanding businesses in the Tokyo area as well as in the Kansai area</u>.</b></p> <ul style="list-style-type: none"> <li>● In the leasing business, invest in new rental office properties in the Tokyo area to accelerate growth (<b>double the owned lease assets from the current level</b>)</li> <li>● Launch real estate sales business in the Tokyo area</li> <li>● Establish its <b>top-class position in the building maintenance business in the Kansai area</b></li> </ul>
<p>&lt;Materials&gt;</p> 	<p><b>&lt;What we aim to be&gt; a functional-material manufacturer that contributes to the industry, the consumer life and the environment, <u>playing a leading role in niche markets mainly overseas</u>.</b></p> <ul style="list-style-type: none"> <li>● Increase the number of businesses with sales of 10 billion yen to around <b>double the current level</b> (5 businesses at present)</li> <li>● Become one of the top 30 listed Japanese-based chemical manufacturers, increasing shares mainly in overseas markets (around top 80 level at present)</li> </ul>
<p>&lt;IT&gt;</p> 	<p><b>&lt;What we aim to be&gt; a corporate group that will grow sustainably with customers, providing new value by <u>advanced ICT innovation</u>.</b></p> <ul style="list-style-type: none"> <li>● Expand the business scale by enhancing the value-added proposal offering businesses</li> <li>● Provide customers of the Osaka Gas Group (businesses and households) with high-quality services (<b>IoT<sup>*1</sup>, big data analysis, application of AI<sup>*2</sup>, etc.</b>) through collaborations with other Group companies</li> </ul>

### New Business Fields

**Establish new business pillars by promoting new business development, including M&A, in the peripheral fields of energy businesses.**

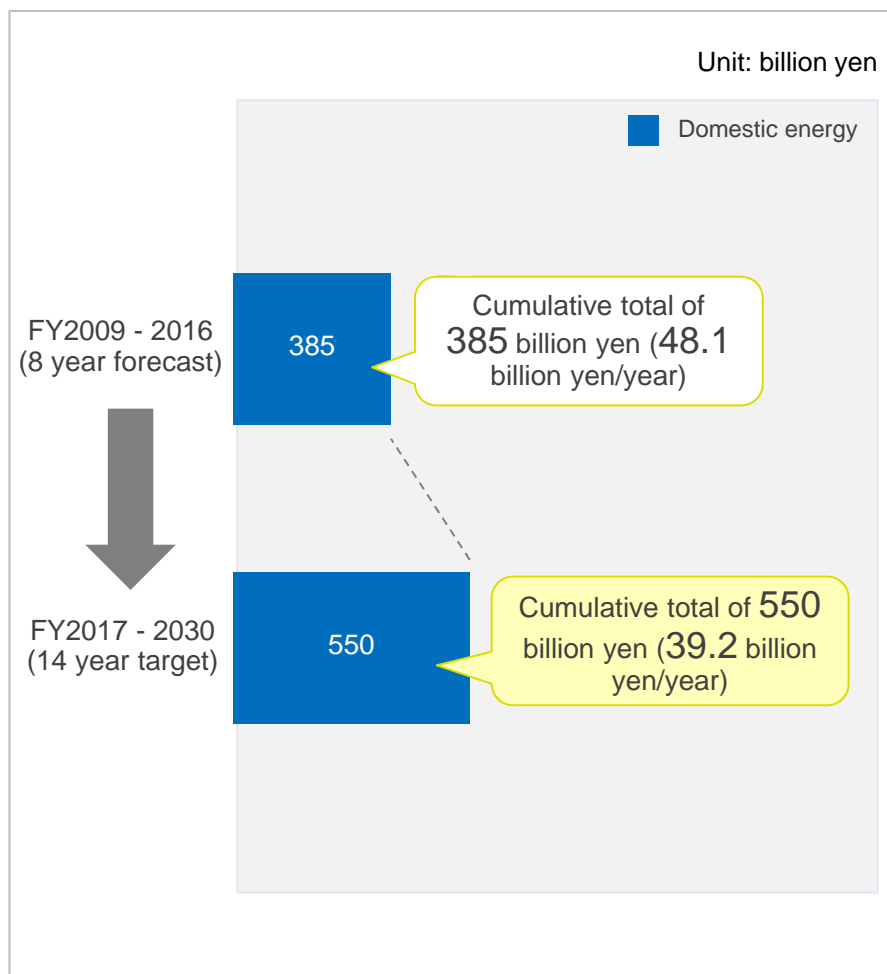
- Develop new businesses that will earn **ordinary income of over 10 billion yen** in new fields, such as cryogenic power generation, industrial gas production, building maintenance, ESCO, water treatment, home service, equipment sales, reform, etc.

\*1: Internet of Things \*2: Artificial Intelligence

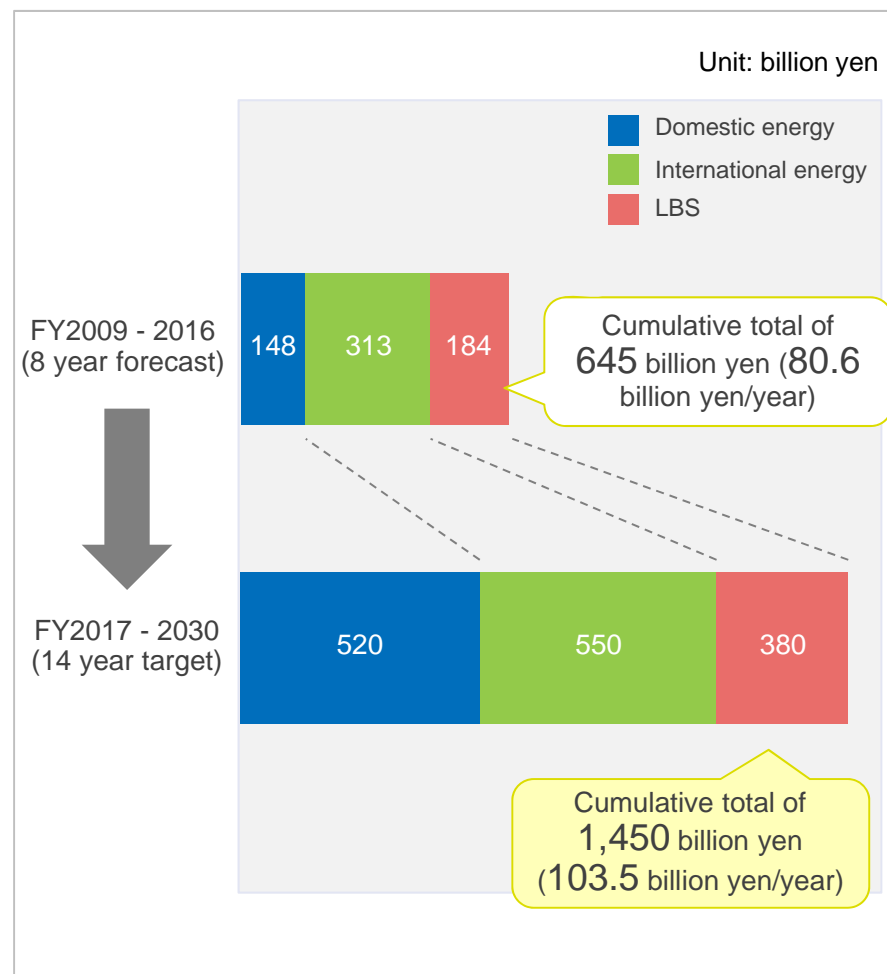
## Investment Targets – Growth Investment, M&A

To achieve “what we aim to be,” we are investing in quality improvement, business growth and M&A, targeting a cumulative total of 2 trillion yen by FY2030 .

### Investment in quality improvement



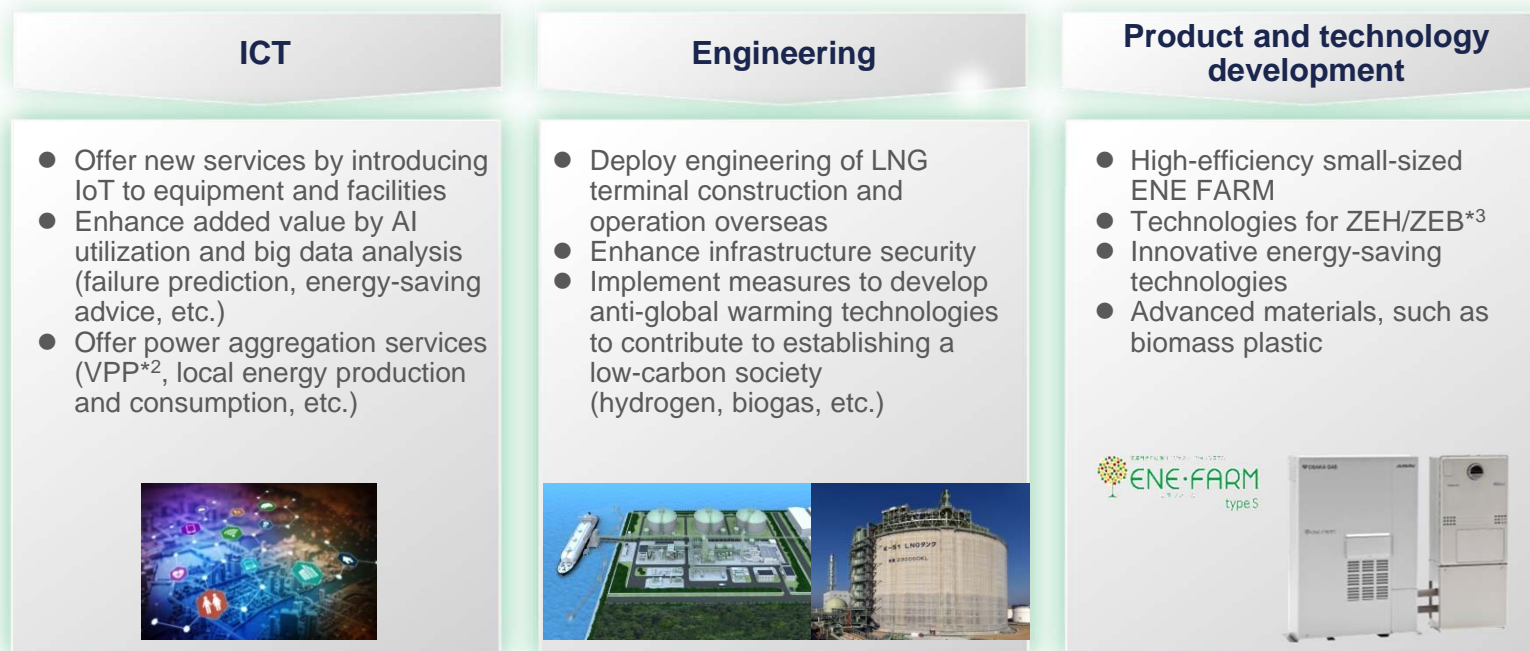
### Growth investment, M&A



## Innovations That Go Beyond Customer Expectations

By introducing advanced technologies and latest techniques as well as applying the capabilities we have developed in ICT\*<sup>1</sup> utilization, engineering and technology development, we are continuously providing products and services that go beyond customer expectations.

\*1: Information and Communication Technology



\*2: Virtual Power Plant

\*3: Zero Energy House/Building

2017

2030

Products and services that go beyond customer expectations

As a corporate group engaging in businesses globally, we are promoting our CSR commitment and ESG conscious global standard management.

### Environment-conscious management

- Support customers in introducing high-efficiency energy equipment ([fuel cells, CHP, etc.](#)), and provide them with energy services
- Promote fuel conversion to natural gas, a clean energy source, and introduction of [energy-saving technologies](#)
- Develop and introduce leading-edge thermal power plants and [renewable energy](#) (bio, wind, solar, etc.)

**Contribute to CO<sub>2</sub> reduction of approx. 70 million tons in total  
for the period between FY2017 and FY2030**

\* including contribution to reduction at customer sites and overseas (equivalent to approx. 2% of the national reduction target)

- Promote environmental management focusing on resources recycling, biodiversity, chemical substances safety , etc.



Solar power generation



CHP



Fuel cells

### Society-conscious management

- Pursue activities in accordance with international norms, such as the Global Compact
- Promote activities relevant to the entire value chain including initiatives to protect human rights
- Engage in co-creation with local communities (social design activities, community communication activities, community building, etc.)

### Governance enhancement

- Promote dialogues with stakeholders
- Disclose ESG information in accordance with global standards
- Pursue fair business practices
- Take measures to ensure information security
- Enhance Diversity of employees and executives



**To continue to be a healthy corporate group, we are committed to reforming attitude and style of work while securing an environment to promote the reforms.**

## Continue to be a healthy corporate group

The Osaka Gas Group is committed to promoting a work environment that attracts many human resources with diverse values and where they can work with motivation and pride, thereby realizing highly productive and creative work styles.

### Attitude Reform

- ✓ **Sense of ownership**  
Spontaneously think and act with a sense of ownership and motivation for reform and improvement, which will make a source of strength for the Osaka Gas Group
- ✓ **Promptness**  
Work with speed in a smart and efficient way rather than to work slowly in the pursuit of perfection
- ✓ **Flexibility**  
Be always ready to adopt external or new viewpoints and flexibly change ways of thinking
- ✓ **Beyond boundaries**  
Without being restricted by the existing boundaries, pursue growth by taking up challenges beyond the boundaries

### Work Style Reform

- **Develop human resources capable of executing duties globally**
- **Shift human resources to highly creative jobs while improving work efficiency with ICT, etc.**
- **Promote know-how sharing to expedite development of human resources ready for front-line operations and improve work quality**
- **Establish workplaces that attract first-rate personnel**

### Work Environment Improvement

#### Collaboration

Promote collaboration among individuals and companies with diverse values

#### Diversity

Offer equal opportunities regardless of nationality, age, gender or residence

#### Flexibility

Establish a work environment and systems that allow employees to work without restriction of location or time



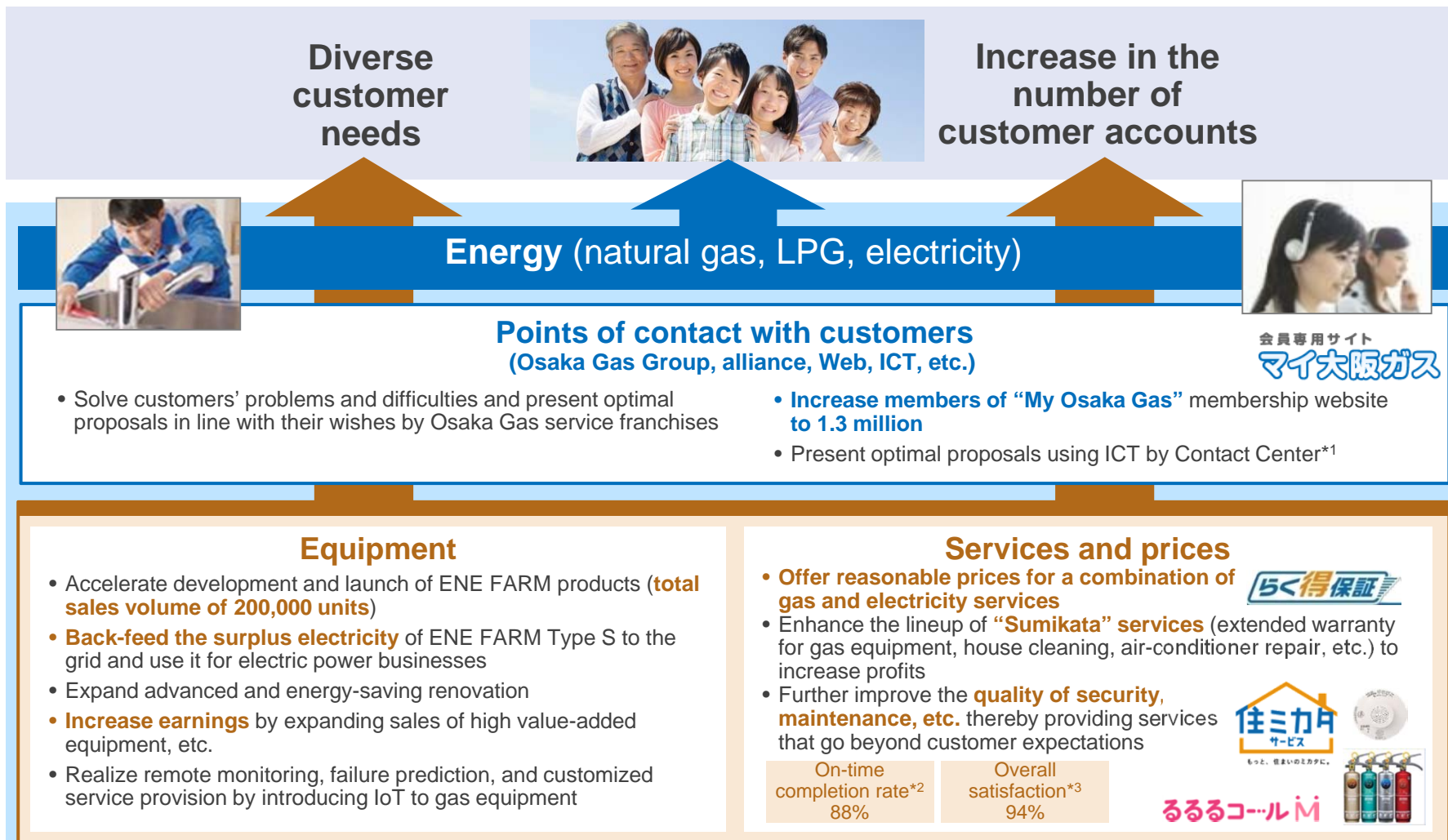
**Initiatives in the Medium-term  
Management Plan 2020 to achieve the  
Long-term Management Vision 2030**



## Enhancement of Solutions Business for Residential Customers

We are aiming to be the energy provider always chosen by customers for services of natural gas, LPG, electricity, etc. by offering enhanced products and services and delivering excellent customer experience at maintenance and other customer contact occasions.

\* Figures are targets for FY2020.

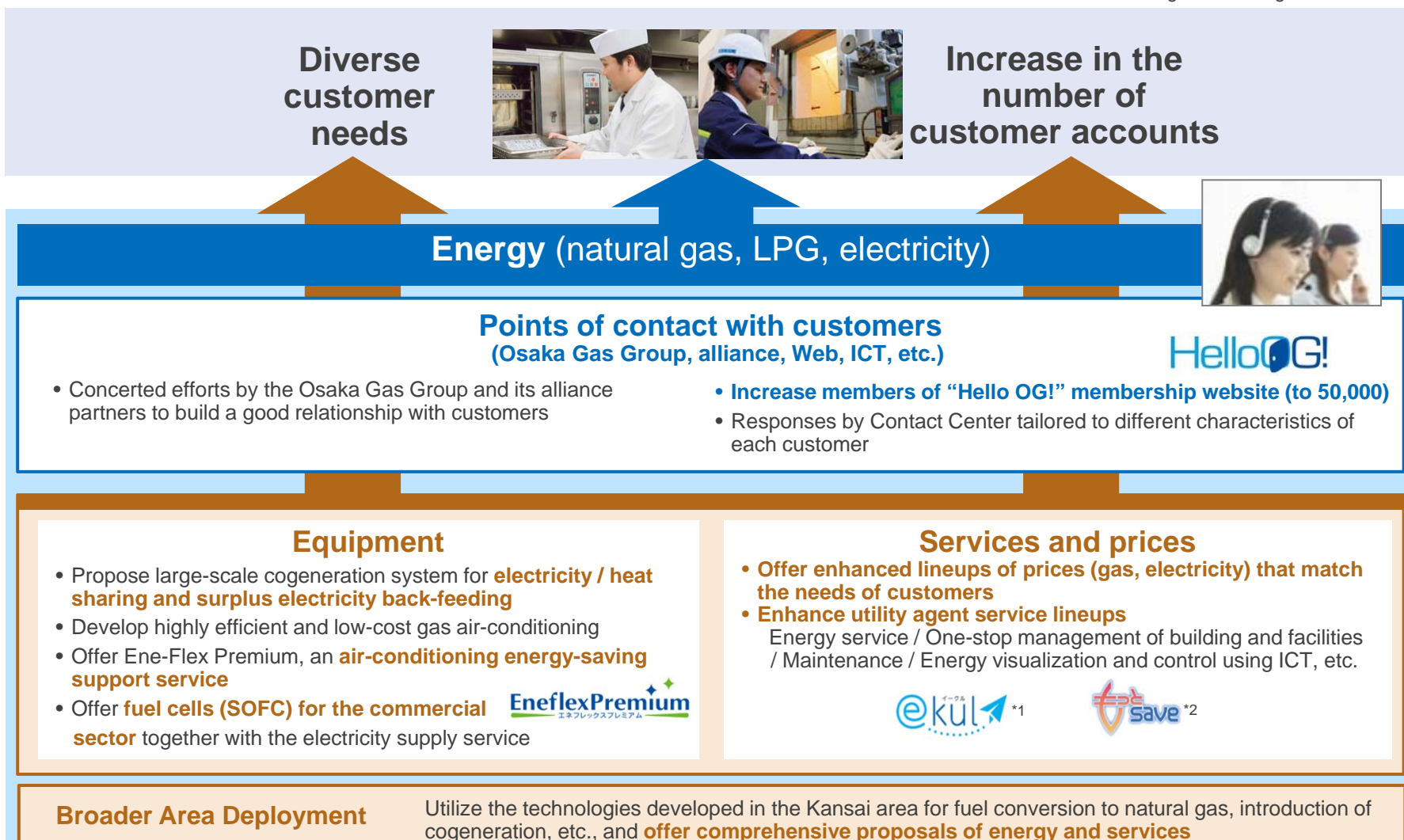


\*1: The department specialized in responding to inquiries from customers using telephone, fax, email, chat, and the Web

\*2: The rate of repair cases completed on the day desired by customers \*3: Percentage of customers who responded "Good" or "Very Good" in a questionnaire survey

We are aiming to be a company that is always chosen by customers by providing services that respond to diverse customer needs, as well as supplying gas and electricity.

\* Figures are targets for FY2020.



\*1: Simplified measurement of various data (temperature and humidity, water supply charges, etc.) \*2: Monitoring of equipment operation status and automatic control

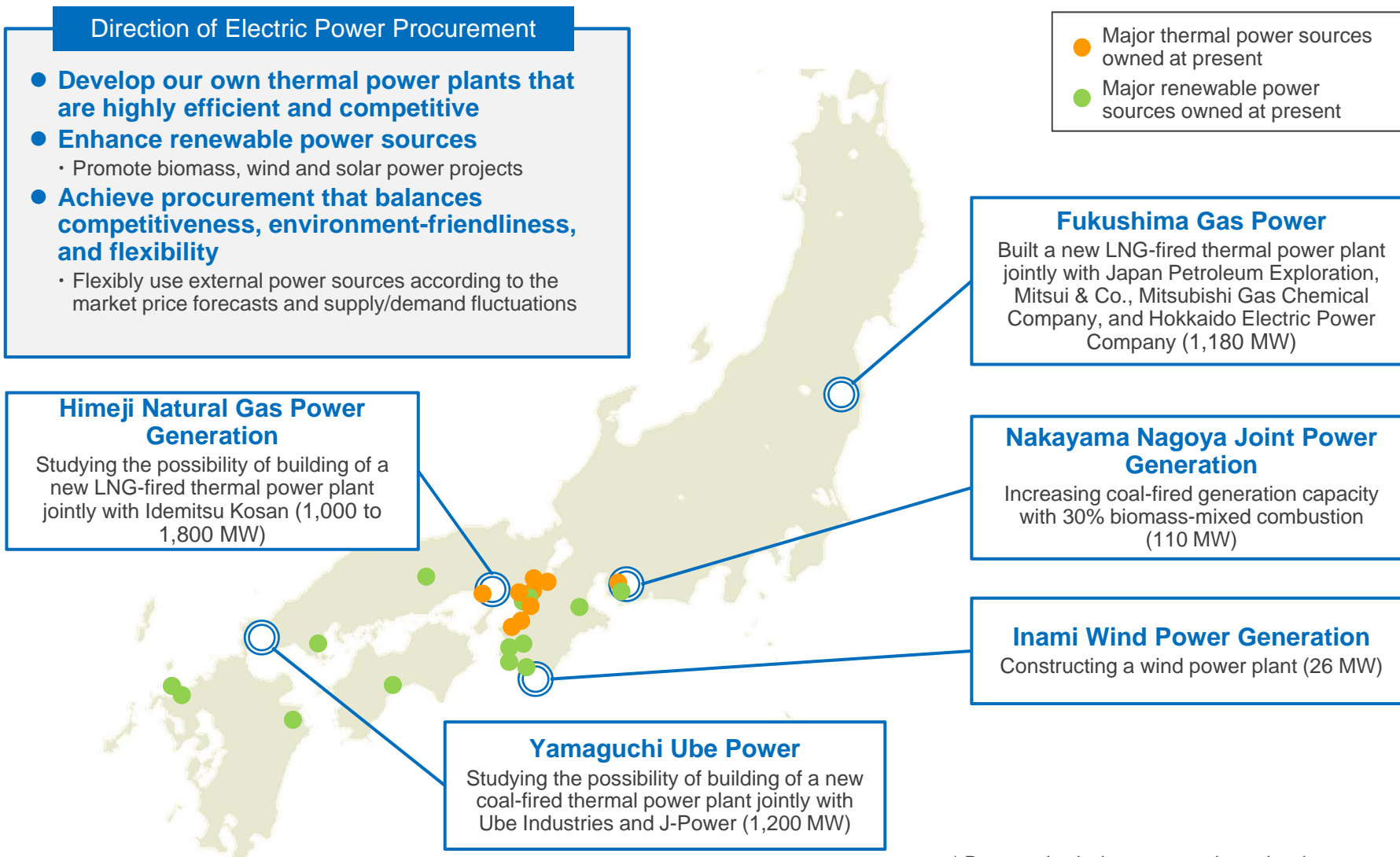
## Establishment of Competitive Power-supply Portfolio

We are building up a flexible power supply structure capable of responding to fluctuations in the supply-demand balance with various power sources including the market and the other players' plants as well as our own existing plants while developing new ones.

### Direction of Electric Power Procurement

- **Develop our own thermal power plants that are highly efficient and competitive**
- **Enhance renewable power sources**
  - Promote biomass, wind and solar power projects
- **Achieve procurement that balances competitiveness, environment-friendliness, and flexibility**
  - Flexibly use external power sources according to the market price forecasts and supply/demand fluctuations

- Major thermal power sources owned at present
- Major renewable power sources owned at present



\* Presented only the sources released to the press

## Development of Pipeline Network Operator Business

As a gas pipeline network operator, we are developing pipeline networks in collaboration with marketers, with the aim of expanding natural gas demand, while continuously ensuring safety and security as well as neutrality and transparency of our pipeline network system.

### Ensuring security and safety that supports our gas business

#### Enhance levels of security and disaster prevention

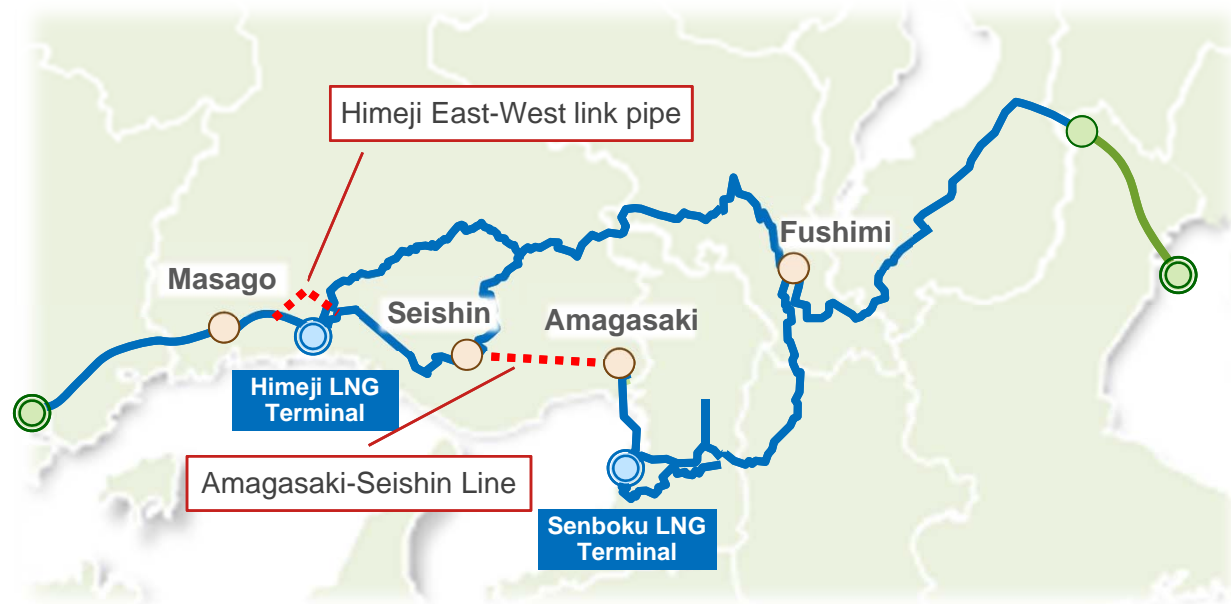
- **Enhance security level and pursue zero accidents**
  - Enhance the level of emergency response
  - Continue operations with zero serious accidents
- **Advance disaster response**
  - Subdivide the supply suspension areas
  - Introduce advanced operations for recovery from disaster

#### Expanding natural gas supply

- **Promote collaboration with marketers and development of pipeline network**
  - Improve convenience in transportation supply
  - Promote stable supply
  - Ensure neutrality and transparency

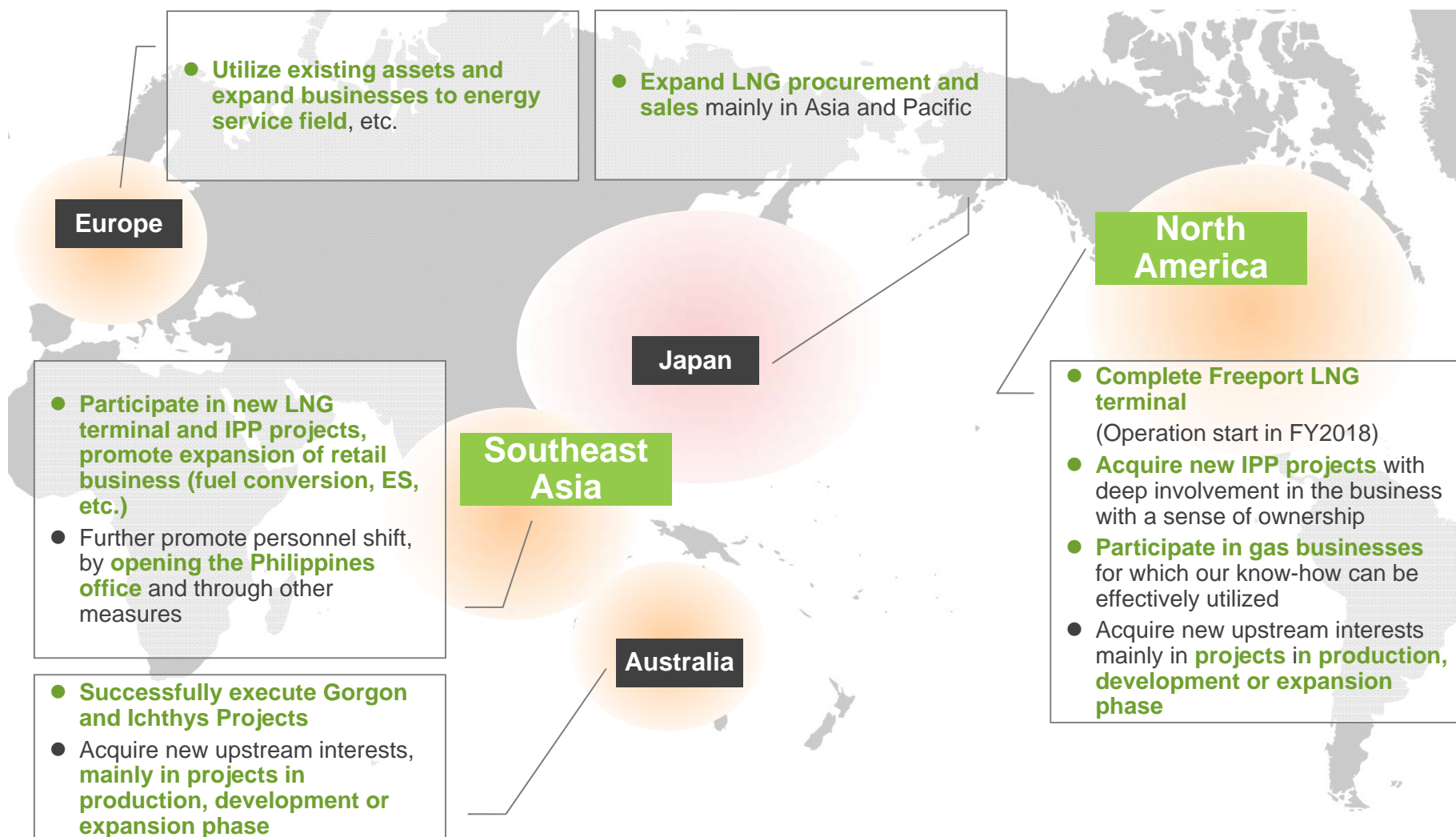
#### Build facilities based on a long-term plan

- **Develop high-voltage main line networks**
  - Develop the Himeji East-West link pipe
  - Study the possibility of development of Amagasaki-Seishin line
- **Achieve the advanced safety targets**
  - Complete the replacement of gray cast iron pipes by FY2024
  - Increase the rate of earthquake resistance pipes to 90% by FY2025



## Main Focuses of International Energy Business




In addition to the launch and completion of the projects we are participating in, we are expanding scales of businesses in the fields where our existing assets and unique know-how can be effectively utilized, and in the regions of high economic growth potential.





## Main Focuses of LBS Business and New Fields

Through organic growth (internal growth) and growth investments, we are developing our LBS business as one of our major pillars, comparable to our energy businesses, and actively seek opportunities of M&A in new fields.

<p>&lt;Real Estate&gt;</p> 	<p>Leasing business: Establish a structure for investment in new offices in the Tokyo area</p> <p>Building management: Enhance the business by proposing services for energy saving and facility construction, etc.</p> <p>Kyoto Research Park: Invite new tenants and develop a new building</p>	<p>[Sales] (simple total) Estimate for FY2016: 44.1 billion yen</p> <p><b>Target for FY2020: 52 billion yen</b></p>
<p>&lt;Materials&gt;</p> 	<p>Activated carbon: Expand the global value chain through collaboration between OG Chemical and Jacobi</p> <p>Preservatives: Introduce anti-virus coating agent, etc. as well as xyladecor</p> <p>Fine materials: Apply fluorene to multiple purposes as well as to optical lens resin</p>	<p>[Sales] (simple total) Estimate for FY2016: 71.3 billion yen</p> <p><b>Target for FY2020: 90 billion yen</b></p>
<p>&lt;IT&gt;</p> 	<ul style="list-style-type: none"> <li>Create Group synergy and expand earnings by introducing new technologies (introduction of AI in call centers, detection of signs of abnormality using IoT, etc.)</li> <li>Expand earnings from outside the Group mainly in the segments of finance, manufacturing and energy</li> </ul>	<p>[Sales] (simple total) Estimate for FY2016: 66.1 billion yen</p> <p><b>Target for FY2020: 70 billion yen</b></p>
<p><b>New Business Fields, Others</b></p>	<ul style="list-style-type: none"> <li>Enhance the life service business in response to the changes in the market environment, such as operation of 24-hour fitness gyms by OG Sports (FITBASE 24).</li> <li>Seek new M&amp;A opportunities and reorganize/reinforce the existing affiliated companies in the energy businesses inside and outside Japan, LBS business and their peripheral fields.</li> </ul> <p><b>Set up the New Business Development Dept. in FY2017</b></p>	<p>[Example of possibility studies of new field business expansion and M&amp;A]</p> <p><b>Water treatment, building maintenance, industrial gases, life service, etc.</b></p>

## Financial Targets for Medium-term Management Plan 2020

We are aiming to enhance our business profitability through shoring up the international energy and LBS businesses.

At the same time, in Japan, where uncertainty regarding the domestic energy business has been escalating, we are working to firmly maintain a sound financial position.

		Plan for FY2017	Plan for FY2020
Profitability index	ROA	2.3%	3.5%
	ROE	4.5%	7.0%
	EBITDA <sup>*1</sup>	157 billion yen	200 billion yen
Shareholder returns	Payout ratio	30% or higher <sup>*2</sup>	
Financial soundness index	D/E ratio	Approximately 0.7	
	Capital adequacy ratio	Around 50%	

<sup>\*1</sup>: EBITDA = operating income + depreciation cost + amortization of goodwill + equity in earnings/losses of affiliated companies

<sup>\*2</sup>: Excluding short-term fluctuation factors



## Financial Plan for FY2017

Despite the offset of a decrease in profits due to the impact of the full gas retail market liberalization and a decrease in time lag profit in the gas business by the increase in profits achieved through acquisition of new electricity customers, etc., we forecast a decrease in overall consolidated ordinary profit for FY2017, which is 64 billion yen, 29 billion yen lower than the estimate for the previous year.

Premise: Crude oil price (JCC) 55 dollars/barrel, exchange rate 115 yen/dollar

	Consolidated Group			Non-consolidated Osaka Gas		
	Estimate for FY2016 (billion yen)	Plan for FY2017 (billion yen)	Rate of change (%)	Estimate for FY2016 (billion yen)	Plan for FY2017 (billion yen)	Rate of change (%)
Net sales	1,159.5	1,344.5	+ 16.0%	886.5	1,053.5	+ 18.8%
Operating income	95.5	66.5	-30.4%	55.5	28.0	-49.5%
Ordinary income	93.0	64.0	-31.2%	69.5	35.0	-49.6%
Net income	64.5	42.5	-34.1%	54.0	27.0	-50.0%
ROA	3.5%	2.3%	---	---	---	---
ROE	7.0%	4.5%	---	---	---	---
EBITDA	185.0	157.0	-15.1%	---	---	---

	Non-consolidated Osaka Gas		
	Estimate for FY2016 (billion m <sup>3</sup> )	Plan for FY2017 (billion m <sup>3</sup> )	Rate of change (%)
Gas sales volume	8.52	8.12	-4.7%

Sensitivity of fluctuations in crude oil prices and exchange rates to ordinary income

Crude oil price + 1 dollar/barrel	0.99 billion yen
Exchange rate + 1 yen/dollar (weak yen)	0.96 billion yen



#### **Notes regarding forecasts**

This document contains forecasts, plans, strategies, etc. related to the future performance, which are based on the judgment of the Group obtained from currently available information.

Please note that actual performance may substantially differ from these forecasts due to various factors.

These factors include trends in the Japanese economy, rapid fluctuations in exchange rates or crude oil prices, and abnormality in weather.

Reference materials

# Osaka Gas Group's Long-term Management Goals (Key Management Tasks) - Basic Concept

Task	Target
<b>(1) Expand business areas and enhance services</b>	<ul style="list-style-type: none"> <li>Energy Business in Japan: gas manufacture and sales / gas distribution / electric power generation and sales / new field development</li> <li>Energy Business Overseas: international upstream and trading / international middle and downstream</li> <li>LBS Business: real estate / materials / IT / new fields, etc.</li> </ul> <p>Achieve growth in each of the above business areas and establish a robust business structure to minimize risks such as oil price fluctuations.</p> <ul style="list-style-type: none"> <li>Pursue further profits by providing Group's high-quality services such as electricity supply, LPG supply, life support and business support, as well as natural gas supply</li> <li>Promote further business development in broad domestic areas and international strategic areas</li> </ul>
<b>(2) Provide security and safety as an innovative energy group of professionals</b>	<ul style="list-style-type: none"> <li>Continue enhancing the level of services while quickly adopting the world's technological advancements, we continue to commercialize our proprietary technologies and take on new initiatives, and will continue to provide safe, secure and high-quality services on an ongoing basis.</li> </ul>
<b>(3) Win stakeholders' confidence by improving corporate and business quality</b>	<ul style="list-style-type: none"> <li>Exercise high-quality management through business activities that will make us remain the first choice of customers, that comply with laws and regulations and that are sustainable and environmentally friendly.</li> </ul>
<b>(4) Increase corporate value</b>	
<b>(1) Improve the efficiency of our assets and capital</b>	<ul style="list-style-type: none"> <li>Improve EBITDA*1, ROA, ROE while continuously enhancing the profitability</li> </ul>
<b>(2) Provide returns to shareholders</b>	<ul style="list-style-type: none"> <li>Provide stable dividend on a continuous basis as our basic stance while we decide its appropriate timing by comprehensively taking into account other profit sharing measures such as purchasing treasury stock, based on business results and future management plans.</li> <li>Target payout ratio: within the range of Osaka Gas' individual surplus distributable amount</li> <li>Target consolidated payout ratio: 30% or more, excluding short-term profit fluctuation factors.</li> </ul>
<b>(3) Maintain financial soundness</b>	<ul style="list-style-type: none"> <li>While implementing quantitative risk volume management, maintain a shareholders' equity ratio of about 50% and D/E (interest-bearing liabilities/equity capital) ratio of approximately 0.7 over the medium to long term.</li> </ul>

\*1: EBITDA = operating income + depreciation cost + amortization of goodwill + equity in earnings of affiliated companies

# Osaka Gas Group's Long-term Management Goals – Specific Targets

Long-term Management Task		Estimate for FY2016	Target of Medium-term Management Plan 2020	Target of Long-term Management Vision 2030
Business area Expansion	Power supply capacity* <sup>1</sup>	3,280 MW	→	9,000 MW
	Number of customer accounts	Approximately 8 million homes	→	10 million homes or more
	Scale of natural gas business	9.6 million tons	→	17.0 million tons
Quality improvement	Customer satisfaction at each contact point	93%	94%	95%
Security and safety	Ensure security and safety of gas pipeline operation, gas manufacturing and power generation	Maintain the status of zero serious accidents		
Environment, CSR	Reduction amount of CO <sub>2</sub> emissions* <sup>2</sup>	-	Approximately 7 million tons	Approximately 70 million tons
Investments	Growth investments* <sup>3</sup>	-	520 billion yen	1,450 billion yen

\*1: Depending on the country's institutional design conditions, etc., and considering shifts in the market, procurement from other companies

\*2: Cumulative reductions from fiscal 2017 to 2020 and cumulative reductions from fiscal 2017 to 2030 respectively (compared with FY2016)

\*3: Cumulative total investment from FY2017

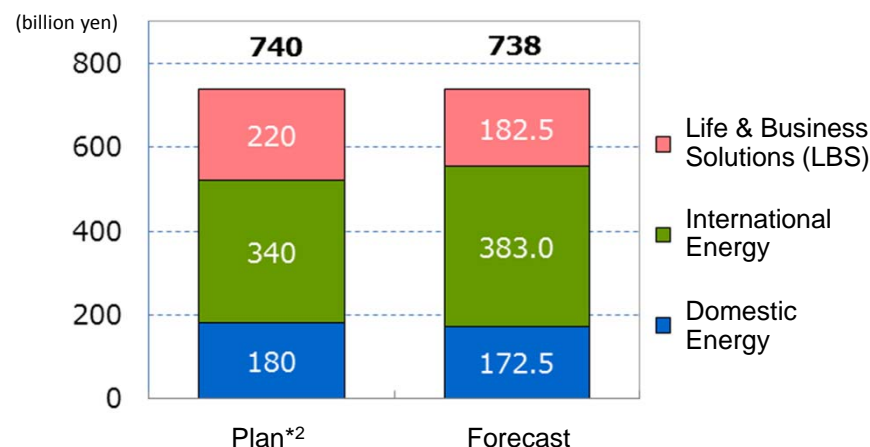
		Plan for FY2017	Cumulative total for FY2017 - 2020
Growth Investment, M&A	Domestic Energy	25	200
	International Energy	71	214
	LBS	26	106
	Total	122	520
Quality Improvement Investment		46	180
Total amount of investment		168	700

(Unit: billion yen)

# Review of 2009-2016 Period Covered by Previous Long-term Vision (FoD\*1)

During the period, we started full-scale operation of electric power, international energy and LBS businesses to establish earnings structures outside our gas business in the Kansai region. To prepare for intensifying competition, we promoted diversification of profit sources by strengthening peripheral services and improved cost competitiveness.

Progress in investment plans for the FY ended March 2010 and FY ended March 2017 (8 years)  
(on a cumulative decision-making basis)



Cost reductions / staff efficiency improvements  
(on an individual basis)

	FY2009 Result	FY2013 Result	FY2016 Forecast
Expenses (billion yen)	186.6	180.9	170.1
Number of employees (including members on secondment)	6,924	6,735	6,044

\*2: Previous medium-term management vision "Catalyze our Dreams"

## Achievements in the FoD period

### Domestic Energy Business

- Active involvement in the power supply construction projects, including renewable power plants utilizing FIT, and entry into the power retail business
- Enhancement of stable gas supply and development of new gas demand by extending trunk pipelines, such as the Himeji-Okayama Gas Pipeline and the Mie-Shiga Gas Pipeline
- Reinforcement of earthquake and tsunami countermeasures in gas supply and manufacture
- Development and sales of ENE FARM Type S (power generation efficiency of 52%, the world's highest level)
- Development and enhancement of peripheral services other than gas and electricity (Sumikata Services, etc.)
- Expansion of business areas for industrial segment by enhancing wholesale business and ESP business



ENE FARM Type S

\*1: Previous long-term management vision "Field of Dreams 2020"



## Achievements in the FoD period

### International Energy Business

- Enhancement of In-house LNG transportation capability by shoring up our own fleet and expansion of LNG trading business
- Participation in upstream projects such as the Gorgon and Ichthys
- Participation in the Freeport LNG project
- Participation in middle and downstream projects such as St. Charles IPP and Erogasmet S.p.A.
- Deployment of retail gas and energy service businesses in Singapore and Thailand



St. Charles IPP in US

### Life & Business Solutions Business

#### <Materials >

- Expansion of business scale through M&A, including the acquisition of Jacobi Carbons

#### <Real Estate>

- Increase of earnings from leasing business by making investment in real estate properties generating steady profits
- Expansion of condominium sales business and the building maintenance business by improving the product appeal and service level

#### <IT>

- Increase of development projects by leveraging our strengths in such fields as energy, finance and manufacturing

#### <Others>

- Selection and concentration of existing businesses, incubation of businesses in new fields, such as the behavior observation business, and entry into the water supply business in the UK

